

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 18 - SB 54

March 23, 2015

SUMMARY OF ORIGINAL BILL: Prohibits a health insurance entity from charging a copayment amount for services rendered by a physician assistant that is in excess of the amount charged for similar services rendered by a physician. This act will only apply to contracts with health insurance entities that are entered into on or after the effective date of this act. Plans administered as a part of TennCare, or any state or local group insurance plan are exempt from the provisions of this act.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

Other Impact – The exact impact to commerce statewide as a result of the proposed legislation cannot be determined due to a number of unknown factors, but the implications to the commerce of individual insurance companies and health care providers is reasonably estimated to be not significant.

SUMMARY OF AMENDMENT (004100): Specifies that the legislation only applies to services rendered by a physician assistant that is contracted or authorized by the health insurance entity charging the copayment. Establishes that this legislation does not prevent a health insurance entity from instituting measures designed to maintain quality and cost control, including, but not limited to, imposing lower copayment amounts for services rendered by providers with clinical outcomes. Establishes that nothing in this section applies to healthcare plans described in Section 1251 of the federal Patient Protection and Affordable Care Act and Section 2301 of the federal Health Care and Education Reconciliation Act.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Plans administered through TennCare or any state or local group insurance plan are exempt from this legislation; therefore, there will be no fiscal impact to the health insurance plans administered by the state.

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- The Department of Commerce and Insurance will incur some implementation and enforcement costs to ensure health insurance companies are meeting the proposed requirements. Any fiscal impact will not be significant and can be accommodated within the existing resources of the department.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Physician assistants (PAs) are utilized in many ways, one being to help streamline the care provided by a primary physician's office. PAs must practice under the supervision of a licensed physician. The use of a physician assistant in larger medical offices allows the supervising physician to focus on those cases which are considered more complex.
- The copayment or coinsurance paid by an insured for services rendered by a PA is, in general, less-than or equal to that amount charged by the supervising physician; however, this is not always the case.
- The amount of copayment or coinsurance charged to the insured party for services performed by a PA may vary across each particular health plan as determined by the distinct coverage provided by a particular private insurer and is dependent on a variety of factors.
- This legislation is not estimated have any significant fiscal impact on the revenue currently recognized from copayments and coinsurance payments by health insurers domiciled in this state or by health care providers.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/jdb